

Google Marketing Platform

Private & Confidential

The Trade Desk

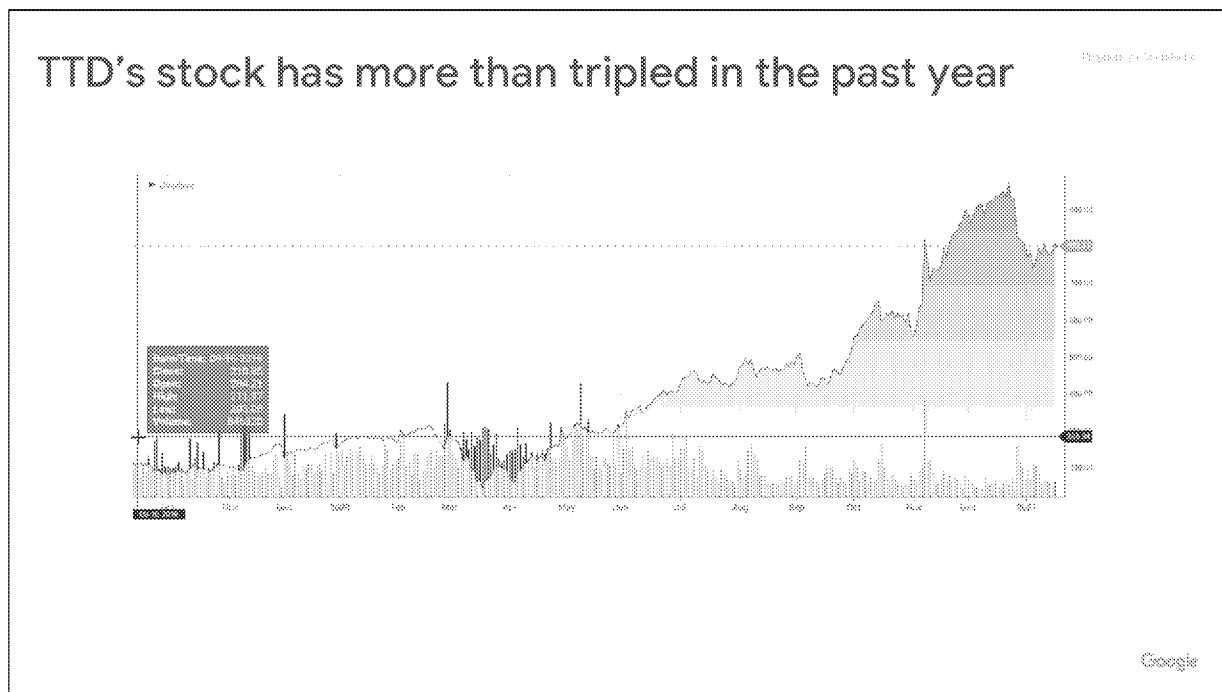
Competitive overview



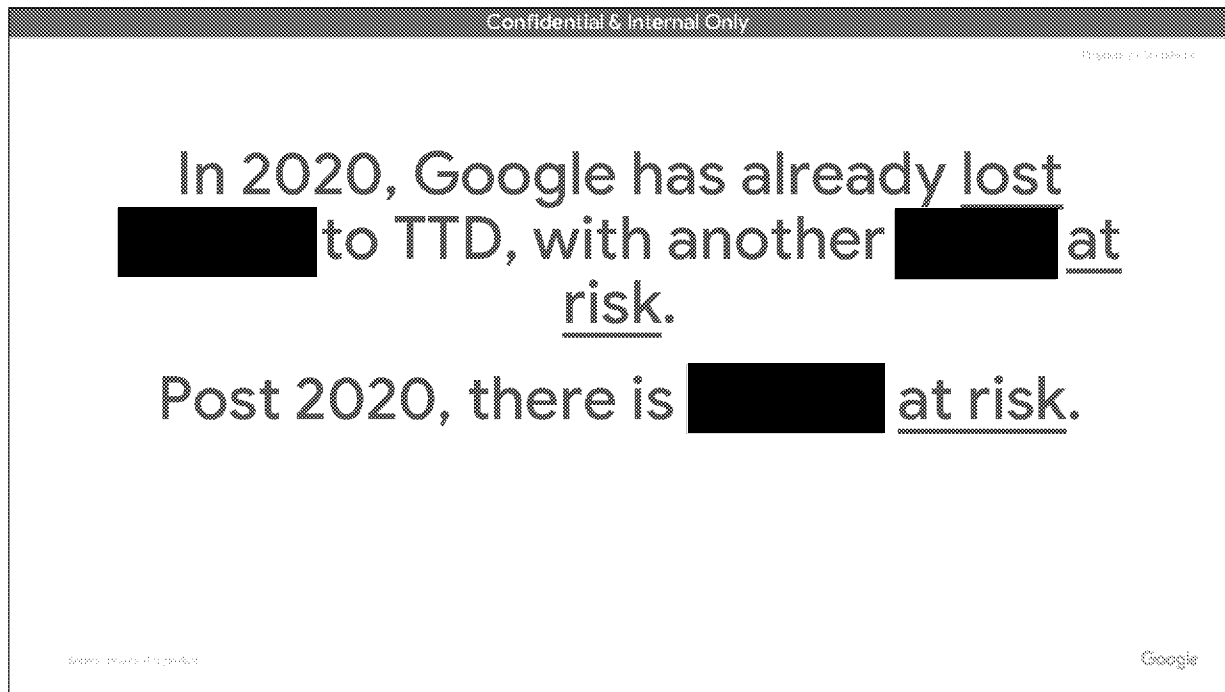
January 20, 2021

Roland Doss (rdoss@)





Close 52 weeks ago: \$207.49
 Today: \$800.65
 +286%



GCAS survey collected data from Sellers to understand scope of the risk from TTD

Revenue lost and revenue at risk

Covers 2020, and post 2020

[REDACTED] dollars was lost to TTD in 2020, with another [REDACTED] at risk. - that's [REDACTED] that can be lost

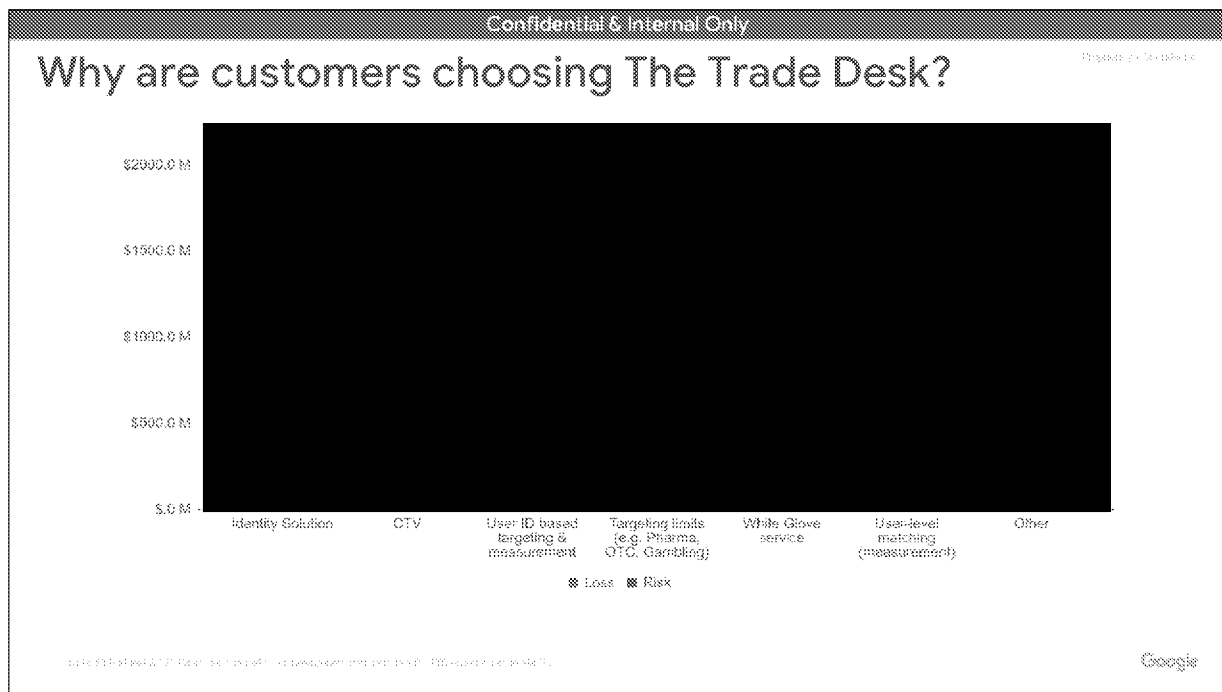
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Looking ahead, we also estimate that an additional [REDACTED] billion is at risk

Combined, that comes to [REDACTED] that is either lost or at risk in 2 years

Educating sellers on their offering and ways to competitively position our products

Reminder: these are estimates



This chart shows why customers are choosing TTD

Note this chart only includes the revenue lost so far in 2020, and the revenue that is at risk after 2020.

Blue bars = revenue lost

Red bars = at risk revenue post 2020

Already lost:

The top reason that customers gave (blue bar) is to leverage TTD's CTV capabilities, who has an advanced CTV offering.

The second reason why customers have left is due to targeting limitations (e.g. policies for Pharma and Gambling)

At risk:

Identity Solution is a primary driver for using their DSP.

Again find that CTV plays an important role for at risk revenue


Google may not be able to address all of these concerns:

Some limits on targeting are being looked into to see if they can be updated

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SWOT analysis



<u>STRENGTHS</u>	<u>WEAKNESSES</u>
<ul style="list-style-type: none">• Branding: Positioned as an independent DSP that is focused on Agency enablement.• Connected TV: Integrations with Nielsen and Comscore among others.• Unified ID Solution: Currently integrated with multiple DSPs.	<ul style="list-style-type: none">• Third-Party cookies: Tracking and conversion measurement relies on 3P cookies.• Fees: Clients will heavily invest in third parties for audiences, brand safety and targeting.• Niche player: Only has DSP-DMP capabilities.
<u>OPPORTUNITIES</u>	<u>THREATS</u>
<ul style="list-style-type: none">• Industry changes: Customer fear of loss of User ID and data.• New markets: Gaining foothold in emerging markets such as China.• Connected TV: Increased demand from Covid and evolving CTV capabilities.	<ul style="list-style-type: none">• Browser changes: Limitations on cookies and third-party tracking. Customer Match.• Privacy regulations: GDPR and CCPA may impact device co-ops and the usage of IP addresses.• Consolidation: Market consolidation will create new competition such as Roku-DataXu.

Background

What is TTD?

Niche player, self-serve platform; offers DSP and integrated DMP

Strengths (value props)

Branding:

Strong branding as an 'independent' DSP focused on Agency enablement.

Depending on the region, TTD is considered for their white glove service

CTV:

Leverages IP address for targeting and frequency management

Audience and data integrations

Unified ID Solution:

Ubiquitous; integrated in multiple DSPs, SSPs, ad exchanges

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Weaknesses

Third-party cookies:

3P cookies for tracking and measurement (desktop).

Fees:

Agency rate card that is considered more favorable than DV360

Niche player:

No ad server, measurement solutions (Analytics), or site optimization

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Threats

Browser changes:

Browsers are blocking 3P cookies and limiting fingerprinting

Privacy regulations:

Open investigations into device co-ops that combine IDs from multiple sources.

Consolidation:

Industry consolidation; new competitors are emerging (Roku-DataXu).

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Opportunities

Industry changes:

Marketers fear data loss due to browser changes and government regulations

Seized on User ID redaction to promote its DT files and ID

New markets:

Inked deals with key Chinese partners


New opportunities and inventory such as TikTok.

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ID solution: TTD vs. GMP

Product / Version 1.0


What to know



Unified ID Solution: Mostly based on 3P cookies, but may contain device IDs and IP addresses.



DoubleClick ID: Our 3P cookie solution, which uses mobile identifiers like IDFA and AdID, and IFA for CTV.



GAIA: Logged-in ID solution for O&O inventory that does not rely on 3P cookies, and is rich with user activity signals.

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What to ask

- Are you willing to take on the risk that all partners are correctly managing explicit consent or the right to opt out from the user, including when IDs are shared between TTD's identity partners?
- Is probabilistic matching (aka fingerprinting) a viable long term solution, when all major browsers are taking steps to block this method?
- Where are conversions stored and is that compatible with browsers that block third-party cookies?

Google

Unified ID Solution:

Based on 3P cookies (desktop), may contain device IDs (IDFA, AdID) and/or IP addresses.

Focused on mobile and CTV; relying less on 3P cookies

Announced Unified ID Solution 2.0:

Working with Publishers for IDs/email

Scale is an issue (opt-in, transparency)

Google Marketing Platform: GMP has two ID solutions:

DoubleClick ID: Our 3P cookie solution

GAIA: Logged-in ID solution, which can be used across Google O&O inventory, is not reliant on 3P cookies, and is rich with user activity signals and user declared signals.

Why is this important?

Google plans to redact the UserID and PartnerID from our data transfer files by Q1 2021.

Allowed TTD to promote adoption of their User ID and their DT files

DT files are not useless; contain lots of data

Industry moving away from log-level data:

Facebook will no longer provide device-level data to advertisers

Apple has indicated that they will reduce access to their mobile ID (IDFA)

What to ask

How can Partners manage explicit consent, opt-in and opt-out across vendors/partners?

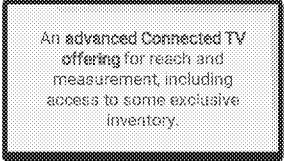
Mitigate damage to brand reputation

How can a User ID be removed from DT files?

Ensure that IDs won't be used for nefarious purposes or combined with data to uniquely identify users?

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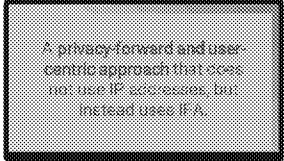
Connected TV



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What to know

What to ask



Google Marketing Platform

- Are you currently leveraging YouTube for CTV, which leads in both reach and watch time among ad-supported OTT services?
- Is your brand positioned for long term success with linear TV integrations and holistic TV buying?
- Are you comfortable with the risk associated with the Unified ID Solution, usage of IP addresses, and deterministic tracking?
- Are you able to do programmatic guaranteed deals with frequency management today?
- Has the DSP made consent available, and where can I view that?

Google

First, "Why is Connected TV so important?"

TTD has an advanced CTV offering for reach and measurement

Access to exclusive inventory (e.g. Amazon Fire TV).

The Trade Desk:

CTV was the silver lining to TTD's recent earnings report.

Robust 3P audience targeting and data options (Nielsen and Comscore)

Leveraging IP addresses as the backbone of their targeting, a practice Google does not support.

Only outside of the EEA; privacy grey area

GMP:

DV360 is lacking in some areas that are being addressed:

Cross-device conversions/attribution

3P integrations with Tru Optik and Nielsen

Brand and Sales Lift across all media (not just YT)

Google does not use IP address for targeting

Advertisers can use LiveRamp Identity Link.

Building for the long term by leveraging IFA

DV360 has the greatest share of cTV inventory with YT as anchor

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Platform cost and fees		
What is it?: The total cost of using the platform, including contract rates and additional up-charges and fees.		
Category	theTradeDesk	Google Marketing Platform
Take rate	<ul style="list-style-type: none"> 20-30% (20% in 2019) 	<ul style="list-style-type: none"> 15% for brand, 9% for agencies (branding rate)
Audience data	<ul style="list-style-type: none"> CPM fee "Automated Demographic Targeting" 10-30% of media cost "Data Alliance" 	<ul style="list-style-type: none"> No cost for Google data
Fraud, Brand Safety	<ul style="list-style-type: none"> CPM fee 	<ul style="list-style-type: none"> No cost
Contextual targeting	<ul style="list-style-type: none"> CPM fee 	<ul style="list-style-type: none"> No cost
CRM onboarding	<ul style="list-style-type: none"> Flat fee 	<ul style="list-style-type: none"> No cost from Google. 3P onboarding fees do apply.
Other fees	<ul style="list-style-type: none"> Fee Bid shading (% of media cost savings) Fee (Cross-device targeting) 	<ul style="list-style-type: none"> No cost
Google		

Take rate:
 The Trade Desk:
 TTD's rate card is traditionally lower than DV360.
 Even with a lower rate card, they achieved a higher take rate than DV360 (20% vs. 15%).
 Take rate = Percent it keeps of every dollar spent on the platform.
 Achieve this take rate by upcharging for additional features like similar audiences, bid shading, audience data, etc.
 Google Marketing Platform:
 DV360 has transparent and upfront pricing.
 We want marketers' dollars to go towards working media

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Key takeaways for Sellers

Privacy 2 • 10-15-14

CBO	Understand your client's business objectives (CBO) and align them with our products.
Privacy	Acknowledge strengths and understand how our products are evolving using a privacy-forward approach.
Full Stack	Leverage GMP full stack benefits: Consolidation, frequency management, audiences, measurement/attribution.

Google

Understanding CBO:

Your success pitching against TTD depends on a number of factors:

Client's digital maturity

E.g. What are their in-house capabilities?

Seeking White glove service is a symptom, not the cause

Partner or Agency preference

E.g. Does the agency manually optimize their campaigns at a granular level?

Their existing tech stack

Need an Ad server? How do they handle frequency management?

Can pitch our products as complementary solutions, instead of a cutover.

Advertisers use an average of 4 DSPs

Privacy:

Still a major risk and one of the main reasons why brands are in-housing functions and data.

Long term vs. short term thinking for our products to protect users and our clients.

Full stack:

Our full stack provides comprehensive marketing, measurement and optimization solutions

Key resources

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Content

- [The Trade Desk one-sheet \(go/ttd-intel\)](#)
- [Competitive Selling - The Trade Desk \(TTD\)](#)
- [The Trade Desk: Privacy considerations POV \(go/ttdpov\)](#)
- [ALCS - TTD & FB Competitive Positioning Training](#)
- [DV360 Short Term Competitive Strategies](#)

Other resources

- [go/platforms-intel](#) (Hub for comp intel)
- [go/compete](#) (Hub for Global Connect Sales)
- [programmatic-compete@](#) (New alias!)
- [go/PracticeLibrary](#) (Sales Mastery)

Google

Thank You!

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